

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

November 2, 2005

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, November 2, 2005, at 7:00 p.m., at the Campbell County Courthouse, 8352 East Main Street, Alexandria, Kentucky.

Judge Pendery called the meeting to order. A moment of silence was called for by Judge Pendery, followed by the Pledge of Allegiance. Following roll call, a quorum was declared present. The meeting was covered by *Government Access*.

In attendance at the meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
DAVID OTTO
KENNETH RECHTIN
MARK HAYDEN

Justin Verst	County Attorney
Robert Horine	County Administrator
Keith Hill	Chief, Campbell County Police Department
Peter Klear	Planning & Zoning Director
Ken Schultz	Director, Road Department
Ken Knipper	Director, Office of Emergency Management
Melissa Williams	Director of Administration
Naguanda Deaton	Director of Personnel
Sandra Mulligan	Fiscal Court Clerk

Judge Pendery presented the minutes from the Fiscal Court meeting of October 19, 2005 for approval. It was moved by Commissioner Rechtin and seconded by Commissioner Otto that the minutes of October 19, 2005 be approved. All voted "AYE" and the motion passed unanimously.

Judge Pendery then asked if there were any citizens or public officials present who wished to address the Court. Mr. Pat Lucas, a resident of Wilder, stated that he had recently addressed the Fiscal Court regarding the Court's obligation to protect minorities. As to where he might fall, whether a minority, a majority, or just a common man, there are some people who just do not understand what the County is doing with the citizens' hard earned money. Citizens are being forced by all sections of government to do strange things with their money, whether it be unfunded mandates by the federal government or anything else in particular. At this meeting the Fiscal Court will be voting on a 9-1-1 surcharge on cell phones. He suggested that the Court vote "no" on this issue and also suggested that this fee rather be set up as a usage charge. He does not know how much money is involved, and asked for additional information on the charge. He would like to know if this is for a civil service or government department, or if it is for a company, or how much administrative costs are, if citizens are paying for health insurance for spouses and children of these employees. He asked why the County would not just pay for the employee and let the employee pick up the extra cost of their insurance. He suggested that instead of just throwing money at a problem, there should be an actual charge for a 9-1-1 phone call, noting that everyone will pay whatever it costs if they have a true emergency and need to call 9-1-1. He noted a difference between

calling 9-1-1 to report a house on fire and calling 9-1-1 to report a cat stuck in a tree. Some of the needless calls would be eliminated if there was an actual charge for 9-1-1 calls only. He asked the Court to look at this issue real hard and vote “no” on it. Judge Pendery thanked Mr. Lucas for his comments and stated that the Court will be considering the issue later in the meeting and will discuss more information at that time.

Judge Pendery then introduced Ron Lovan, Executive Director of the Northern Kentucky Water District (NKWD), who was present to give an update on NKWD’s projects in Campbell County. Mr. Lovan introduced Doug Wagner, Chairman of the Board of Commissioners, and Richard Harrison, Vice President of Engineering and Distribution. Mr. Lovan stated that he and Mr. Harrison would like to present a PowerPoint presentation and discuss specific projects happening in Campbell County and some that are being planned over the next five years. He showed photos of some of the facilities in Campbell County, specifically the Memorial Parkway Treatment Plant, formerly the Newport Treatment Plant. This system was purchased about 2 years ago. The largest treatment facility is located in Ft. Thomas. There is also a site on Aqua Drive, which used to be the old administrative facility.

Mr. Lovan noted that NKWD is chartered under Chapter 74 of K.R.S. and is regulated by the PSC (PSC). NKWD is the largest water district in the State of Kentucky, and the third largest water provider in the State behind Louisville and Lexington. The PSC scrutinizes everything NKWD does, from budgets, capital expenditures, etc. NKWD was created as a result of the merger of the old Campbell County Water District and the Kenton County Water District, which was planned during 1995-1996 and completed the merger in January, 1997. There are six members on the Board of Commissioners. NKWD’s service area is about 200 square miles and it serves a population of about 350,000 people, with about 78,000 active customer accounts and almost 160 employees within the district. The average demand approaches 30 million gallons per day and they max out during the summertime at a range of 44 million gallons per day. There are 19 storage tanks, 14 pump stations and almost 1,100 miles of water mains throughout the system. NKWD’s operating revenue for 2006 will be about \$38.5 million. The 5-year capital budget is about \$74 million. For this 5-year period NKWD estimates about \$60 million is for Campbell County, largely due to Campbell County having two treatment plants.

Commissioner Rehtin asked if the 96% of Campbell County population served figure was in the past or actually currently served. Mr. Lovan stated that that figure was for actually currently served customers and noted that Mr. Harrison would discuss this figure. Commissioner Hayden asked if the figure of 425 miles of water main was for Campbell County alone. Mr. Lovan replied that it was.

Mr. Lovan stated that NKWD has about 450 customers in Southern Campbell County who are served by Pendleton Water District. This took place several years ago when that water district had infrastructure within the service area and NKWD was not there yet. In Kenton County, the same is true with approximately 200 customers who are being served by the Bullock Pen Water District. NKWD also wholesales water to the City of Walton and also serves the Airport. They no longer serve Boone County, which is served by the Boone County Water District, nor do they serve the City of Florence, which is served by Cincinnati Water Works. He noted that the “Riverfront Communities” that NKWD serves, such as Bromley, Ludlow, Covington, Newport, Dayton and Bellevue, is where the older infrastructure is located.

Mr. Lovan then stated that over the last five years NKWD has spent approximately \$29 million in improvements in Kenton County. Of that \$29 million, approximately \$14 million was directed towards their plants, tanks and pump related activities. Approximately \$15 million was directed towards their distribution system. Over the next five years, NKWD plans to spend approximately \$60 million in improvements in Campbell County, of which \$27 million will be directed towards plants, tanks and pumps, and \$33 million for water mains and meter upgrades.

Commissioner Rehtin asked if all of the units that supply water are governmental units. Mr. Lovan stated that they are regular water districts and there are smaller water districts such as Pendleton Water District which has about 2,500 customers and Bullock Pen with approximately 3,000. Further south, the city of Butler has a small system and buys water from the city of Falmouth and even further south, the City of Falmouth also has a treatment plant that pulls water off the Licking River. The two NKWD plants in Campbell County pull water off the Ohio River, while the Taylor Mill plant pulls water off the Licking River. The city of Florence is a municipal water system, and that city and other cities are not regulated by the PSC. Boone County Water District serves about 25,000 customers. The city of Walton buys wholesale water. NKWD has a good relationship with these other water districts and continually talk with them about opportunities. Commissioner Rehtin inquired as to whether the water that comes out of all three treatment plants is compatible. Mr. Lovan replied that it is compatible.

Mr. Lovan then turned the presentation over to Mr. Harrison to discuss some of the projects that have been completed and plans for future projects. Mr. Harrison first thanked Peter Klear and his group, whom the NKWD has worked closely with over the years to make sure that the County is aware of what the NKWD is doing in terms of development and keeping up with growth and infrastructure. He stated that there have been many improvements accomplished in the last five years. NKWD treats water from the north and pushes it to the south through pumping stations and tanks and there is a theme that shows NKWD's planning effort to keep up with growth in the central and southern portions of the County. These improvements do not include subdivisions, but are basically larger capital improvements that NKWD has financed through bond issues. One project was what they called Subdistrict E, which was a grant project that was coupled with NKWD funds and Fiscal Court funds to serve a number of unserved households in the County. NKWD looks at population data and growth trends every five years to make sure it has a capital improvement plan in place to be able to meet those projected demands. There will be a very intense effort over the next five years to keep up with the growth that is projected in Alexandria and central and southern portions of the County. Roughly, 20 miles of 12-inch or larger water main is being constructed to upgrade the system at a cost of \$15 million to \$17 million. This will be a large part of the capital improvement that NKWD plans.

Mr. Harrison stated that one particular improvement he would like to call attention to is the expansion of NKWD's pump station at Ripple Creek, which is located on the other side of the AA Highway, along U.S. 27. There is also a major 20-inch improvement that will basically conclude at Main Street, which will boost the entire ability of NKWD to transit water to the central and southern portions of Campbell County. Mr. Harrison noted that NKWD will be working with Mr. Klear with the update of the Comprehensive Plan. Commissioner Hayden asked if the 20 mile water main would include improvements that are being proposed from 2006 through 2010. Mr. Harrison stated that the 20 mile main would be included in that time frame, noting that some of that 20 miles was done in the past five year. This is an ongoing process as more and more demand is projected. NKWD will build pieces of this improvement, such as the improvements to Upper Tug Fork Road, as time goes on. This is probably two or three miles of a larger effort to get the line all the way down to the Washington Trace area. This is done in stages. They are replacing 3-inch, 4-inch, and 8-inch lines that were installed many years ago and in some cases the new lines will traverse over areas that have no water, which will give the opportunity to some folks to be able to connect into the new water line. He noted that not everyone in the County is connected to the NKWD lines, as this is not required. There are people who have the option of staying with cisterns, if that is what they would like to do. He stated that 96% of the County is served by NKWD. Commissioner Rehtin asked if the 96% served means that the house is provided water by NKWD if the residents so choose. Mr. Harrison responded that NKWD water is available to 96% of the households. Commissioner Rehtin asked what the number of people who actually purchase NKWD water was. Mr. Harrison stated that NKWD knows from a mathematical calculation, with the exception of some of the newer projects, about 99% of the households in the County elect to take the public water supply.

Mr. Harrison stated that NKWD occasionally has to come up with a rough calculation of residents served, and they basically drive through the area serviced and count houses. The most current amount breaks down to around 4,000 people unserved or around 1,500 houses unserved, which is good news and bad news. The good news being that most of the area's residents have access to the public water supply. The challenge is that, of the remaining 1,500 houses that need to be considered to be served, about 140 miles of water main is needed, at an estimated cost of \$40 million. Commissioner Hayden asked what size water main would be needed for the 140 miles. Mr. Harrison stated that typically an 8-inch main would be used. There are exceptions due to areas that need 6-inch and 12-inch. In realizing that this will be a great challenge, NKWD understands that it needs to do everything it can to try to meet those needs in the interim, and are planning two to three water fill stations. In the last legislative session, NKWD was able to get \$1,288,000 as a district and a county, and some of those funds will go towards water fill stations, as well as previous projects discussed. Commissioner Rehtin asked what other source of water the 1,500 unserved houses used. Mr. Harrison stated that these houses were mostly served by cisterns, with a few using wells.

Mr. Harrison stated that a project that NKWD is working on now includes a section of Licking Pike, Grandview Drive, Heck Road, West Main, and Steffen. They are struggling with local sign-ups on that project, but he believes the sign-ups have been strong enough that coupled with the District and Fiscal Court's contributions, they feel like they can go ahead and take the project to bid. He encouraged any residents in this area who might be watching to work with their neighbors to get more sign-ups to position NKWD in a strong way so that when they do take bids in the spring, they are more likely to be able to work with them. Commissioner Hayden asked how NKWD would inform residents about the sign-ups. Mr. Harrison stated that letters would be sent to all the residents enclosing a self-addressed envelope to return the sign-up form. These projects tend to take a personality of their own when residents get involved by going door to door and encouraging their neighbors to sign-up. Commissioner Hayden then asked if NKWD held neighborhood meetings or public meetings to encourage people. Mr. Harrison stated that they have held public meetings in the past and could again if that looks to be beneficial.

Mr. Harrison next stated that in the 1950's and 1960's they could only get 3-inch water line funded, and some of these lines are still in. Now, even the very smallest of developments of new homes can trigger massive improvements to NKWD's system. These improvements, however, are going into areas that will grow more than just a few homes. NKWD has found that an 8-inch system works very well in a quasi-urban and rural county. Commissioner Hayden asked Mr. Harrison to explain what goes into the thinking behind the size of the line and how the NKWD makes that decision. Mr. Harrison stated that one of the major considerations is fire protection. NKWD is very unique statewide in that it puts in fire protection. A 3-inch line will not support fire protection. There are certain minimum requirements that NKWD has to meet with the PSC, who thoroughly regulates the NKWD. NKWD is fortunate in that the growth that it is anticipating supports the 8-inch main in many cases.

Mr. Harrison stated that NKWD is trying to utilize the grants and loans, and in partnership with the Fiscal Court, to meet the challenge of the need for \$40 million. He then turned the presentation over to Mr. Lovan for final comments. Mr. Lovan stated that one of the key challenges for NKWD in the next five years is aging infrastructure. Of the 1,100 miles of water main that NKWD has, they estimate about 250 miles is old unlined cast iron pipe. Over the years, this type of pipe rusts and corrodes. As it corrodes, it can cause structural problems and break, and prior to that happening, it can cause what is called "red water." When this comes out in a customer's water, it can cause clothes to turn red permanently and is not drinkable. To replace all 250 miles of this old water main, the cost would be somewhere near \$165 million. If the pipe is structurally sound and there have been no problems with breaks, NKWD can go in through a process and clean this pipe out and reline it with an epoxy coating, or if the pipe is structurally unsound, it will have to be replaced with a lined pipe or a PVC pipe. Commissioner Otto asked if these

aging pipes are in the ground by themselves or if there have been sewer pipes laid in close proximity to the water line, noting that when these pipes do start to crack there is corrosion on the pipe and if the sewer line starts to crack, this can cause severe problems. Mr. Lovan responded that several years ago there was a similar incident in Newport where gas and water lines were in close proximity of each other and water started coming out of gas stoves. This is one of the worst examples of what can happen with these infrastructures being close to each other. Mr. Harrison stated that with today there is a very clear standard on an 18-inch by 18-inch separation where the water line is higher, and the water line is under pressure and even if it breaks there is positive pressure where it is coming out. He pointed out that it is also very expensive to replace these pipes.

Commissioner Rehtin inquired as to whether there was a plan to replace and fix the aging infrastructure. Mr. Lovan stated that NKWD has an asset management plan with three approaches - minimal, moderate and aggressive. The most aggressive approach reaches \$300 million. If NKWD puts \$300 million into rate structure, the remaining numbers will not hold up. NKWD is trying to go to the trouble spots and build those projects into their budget. NKWD will not, however, be going into a plan that within the next ten to fifteen years they will replace all 250 miles of the main. At this point, NKWD does not feel it can afford to do that. Commissioner Rehtin asked Mr. Lovan to address the philosophy of NKWD with regard to rate payers as it expands into new service areas. Mr. Lovan responded that NKWD will go in and ask residents of a sub-district to participate to a higher degree, and the Fiscal Court has been cooperative of giving the NKWD some seed money, and NKWD has been fairly successful with getting grant money from the State. When NKWD can do that and have this collaborative effort, then they feel comfortable leveraging that with some of their money and going ahead to extend new water lines.

Commissioner Otto asked if NKWD coordinated with the Sanitation District on any service areas, suggesting that if NKWD knows it will be working on N. Ft. Thomas Avenue, between Catherine and Covert Run, it seems that where that section is dug up and water lines are either replaced or repaired, then the road is paved, and perhaps a few weeks later the Sanitation District comes in and tears up the same road to put some pipes in. He asked if NKWD couldn't coordinate with the Sanitation District so that there is no double tearing up of the road. Mr. Lovan stated that NKWD coordinates with the Sanitation District, but also with the cities. There are thirty-nine municipalities in the NKWD service area and they try to coordinate with them on their street paving projects. Mr. Harrison commented that NKWD sends out letters to the cities and counties that list in each community NKWD's highest priority mains. This high priority list does not always match up with projects the cities are planning. He noted that it gets hectic around paving time, but NKWD continues to try to work with these groups.

Mr. Lovan stated that a major concern for NKWD is unfunded mandates, security as an example, which have changed NKWD's business since 9/11. The EPA also regulates NKWD and requires them to do a study on security to analyze their system. That study came back and said NKWD projected that it would probably spend \$30 million on security improvements. This has not been mandated yet, but that could come. Water quality standards is another concern, which are becoming more and more stringent. It is easy to project out a year or two, but to project where water quality standards will hit over the next ten to twenty years can be scary. This is another unfunded mandate that NKWD is trying to project and be prepared for. This all brings back the balancing act, and NKWD will have to deal with the issue of rates. The rates must be justified with the PSC, which is not an easy or inexpensive process. There was a case about two years ago where NKWD applied for a rate increase and it cost them about \$250,000 to get the application before the PSC. It takes on average about 18 months to 2 years to get the application in, get it approved, and get it in place. NKWD is trying to get PSC to think out of the box and has before the PSC a multi-year rate plan, which NKWD would like to get approved, so that they know and their customers know where things are headed. The multi-year rate plan shows revenue increases over the next five years. Commissioner Rehtin asked how NKWD rates by comparison to the other local water suppliers. Mr. Lovan stated that NKWD ranks middle of the road around the State with other regulated service

suppliers. When you go into the larger Louisville or Cincinnati areas that are not regulated by the PSC, they have a much larger customer base than NKWD and their rates at this point are cheaper than NKWD. Commissioner Rehtin asked if this is driven by volume, to which Mr. Lovan confirmed that it is. Mr. Lovan gave an example of 6,000 gallons for the average customer, making the average bill is about \$26-\$27 per month, which NKWD feels is a real good value when compared to cable bills or gas bills. If NKWD begins to look at double-digit revenue increases, that amount will go up. Judge Pendery then asked if the reason that the 1,500 people remain unserved is because there are so few customers near the water line, and if NKWD needs to spend \$40 million on 1,500, that will work out to around \$25,000 apiece. This explains that it is not as though these people have been neglected, if a cross-benefit analysis is done, there are so few by the mile in these areas, they could not afford to buy it on their own and NKWD cannot really afford to provide it. Mr. Lovan stated that that was correct, and NKWD would like nothing better than to go ahead and run the water line out to these people, but there are competing needs that must to be balanced.

Mr. Lovan then discussed some opportunities for NKWD. If NKWD can increase its customer base in the southern part of the County, this will help, but this is a long-term opportunity. As NKWD continues to push water further south, and the regulations become more stringent, it becomes difficult, and there may be a point down the road where they may be looking at another plant in the Southern area where they treat and push the water from the south back to the north through the system.

Mr. Lovan stated that there have been NKWD facilities all over both Kenton and Campbell Counties ever since the merger, and the water plants cannot be moved around. NKWD has been looking at sites to try to consolidate these facilities and are considering building a new building versus taking the existing facility and remodeling it. A 24-acre site was purchased over a year ago and is in the process of being remodeled, which is located in the northeast corner of I-275 and I-75. They hope to move into this facility around the end of April, 2006 and will move all personnel, vehicles, pipes, etc. into the new facilities. Some equipment and pipes will need to stay at the existing plants. This will create an opportunity for NKWD to divest itself of three pieces of property - approximately 10 acres on the Aqua Drive site, and two facilities in Kenton County which are currently where customer service areas are located.

Mr. Lovan reiterated that NKWD has a lot of challenges ahead of it, and believes it provides a product that is still a good value for the money and will continue to watch that. He noted that NKWD looks forward to working with the Fiscal Court in meeting its challenges. He then asked if there were any further questions. Judge Pendery pointed out that NKWD is an independent quasi-public agency and the Fiscal Courts in Kenton and Campbell Counties make appointments to the Board. Mr. Lovan stated that the number of appointments was set up based on population. Of the six Board members, 4 are appointed from Kenton County and 2 are appointed from Campbell County. These appointees serve four-year terms.

Judge Pendery thanked Mr. Lovan and Mr. Harrison for their presentation and noted on behalf of the Fiscal Court, there has always been a good working relationship with NKWD. He stated that the Court appreciates the work they do.

Judge Pendery then requested items of Old Business be brought before the Court. Ms. Williams presented for second reading and passage consideration Ordinance O-13-05, which she read by title and provided a summary to the Court. She explained that this Ordinance amends Ordinance O-11-86 adopted on October 15, 1986 and amended by Ordinance O-27-2000 adopted on January 3, 2001 and authorizes an increase of the maximum fee to fund the 9-1-1 service to not more than \$3.30 per access line per month. Thirty cents of that amount goes to Cincinnati Bell for line maintenance fees. Commissioner Rehtin made a motion and Commissioner Otto seconded, to approve Ordinance O-13-05. Judge Pendery commented that this is an area where technology has cost the County money. In this case, cell phones are

the problem. More than half the calls that come into the Dispatch Center originate with cell phones, with as many as 100 cell phone calls on a particular event such as a car accident, where in the past there might have been 2 or 3 calls of a similar nature from land line phones. It is now necessary to employ more people in Public Safety Answering Points (PSAP's) to handle the volume of calls. The Campbell County Dispatch Center is the largest operating center by volume in this area. The County anticipated some of the changes that are caused by cell phones and several years ago determined with the aid of Ft. Thomas and Newport that the only conceivable way to afford the new equipment that the County would need to cope with cell phones, and to staff the centers in such a way as to cope with the cell phone volume, was to consolidate three operations into one. That consolidation was achieved, with a result of much better service at what is to the County a lower cost immediately. The cost to maintain three centers, rather than the combined one, saves millions of dollars every year. The problem is that there has been such a dramatic movement from land lines to cell phones that the revenue from the fee that the County is able to put on land lines dropped off from the day it was imposed. Campbell County was not alone in failing to anticipate that, as it is the preferred method of financing emergency operations all over the United States. The County does not have the legal authority to place a fee or tax on cell phones. It is then left with no choice but to increase the tax on land lines if it is going to fund the dispatch operations. In the near future, there is also VoiceOver IP that will be coming along, which is where a person can make telephone calls over the Internet. The Internet is controlled by the Federal government. For the last several years, the County has been in the legislature working hard to try to get the legislators to see that cell phone money has to be distributed out to local governments to pay for emergency response. There is built in to State law a disincentive to consolidate. The State pays out half of the cell phone money that is devoted to local government based just on the fact that the PSAP is out there. Each PSAP gets an equal slice of half of the money that is available for local government regardless of how big an operation they are. If three operations are consolidated into one, which was the case in Campbell County, only one stream of revenue is given, not three. Campbell County was penalized for being efficient and that penalty remains to this day. Through the offices of Rep. Jim Callahan, and more currently, Senator Katie Stine, and the work of the Northern Kentucky Legislative Caucus, Campbell County was able to get that penalty relieved for two of the four years that our Center has been in operation. This is another example of where technology has galloped well ahead of government. The County will continue to work with the legislature to try to get them to understand the depth and scope of this problem and come up with a comprehensive solution. The fact of the matter is, though, that this has been worked on for many years, and it is unlikely that there will be a comprehensive solution to the problem. He stated that his recommendation to the Fiscal Court is that, without question, we must provide the funding for what is an essential service and go to the legislature and try to find a solution. What has happened in the last few years because of the revenue dropping off is that we are spending the money that was set aside for new equipment. It is not yet possible to triangulate the location of cell phones but we will be required by regulation to do that. Someone can call in an emergency from their land line phone and that person doesn't even have to say anything because their name, number and address automatically come up on the screen. With a cell phone, someone can call from anyplace and no one knows where the call is coming from. There will be expensive expenditures to come with this technology. We must stem the flow of red ink right now and work aggressively to get a solution out of the legislature that is longer term.

Commissioner Otto asked Judge Penderly to explain to the public where the money goes that is generated from cell phones. Judge Penderly stated that the State has control of the cell phone money at \$.70 per line. This is a problem since land lines, which yield an average of \$2.00 around the country, are being replaced by cell phones where the fee is \$.70. Of the \$.70 that comes in, half of it is paid to the cell phone companies for them to use to purchase technology to triangulate the position of cell phones. They already emit latitude and longitude, but that has to be read that with the call and figure out where they are. The thought is that there should be some money to the companies to help seed that investment. The other half, or \$.35, is itself divided in half and half of it is distributed according to how many PSAP's there are, and the other half is distributed according to the number of subscribers within the service area. Campbell

County is penalized in that area also because so many people have cell phones that have the 513 area code. These people may be working in Northern Kentucky, but their cell phone number has a 513 area code, which counts for Ohio and not Kentucky. Commissioner Rehtin mentioned that the increase proposed tonight at this meeting is a one to five-year stop-gap mandate, and will hold off for some amount of time the wolf at the door. He stated that the County really needs to look at a long-term funding mechanism, whether it is property tax, a usage fee, a court fee, or otherwise. A usage fee is currently in place where most of the emergency runs are billed back to the insurance companies and there is some legitimacy to bill a 9-1-1 fee into that service as well. However, no usage fee will pick up all the costs involved. He believes it was a great idea and cost efficient to combine the dispatch centers, but a funding mechanism must be found to carry this forward in the future. Judge Pendery noted that this increase is a very small bandaid for things to come and the County is limited under the law with the authority to find money anyplace to pay for anything, much less this. The ironic thing would be is if the County would happen to get the attention of the legislature and by some stroke of luck get a comprehensively designed solution there, the target is moving, and VoiceOver IP is expected in five years to put land lines and wireless phones away. They will become an antique technology and the backbone of service will be provided by VoiceOver IP, which is controlled by the Federal government. We could very well find ourselves in a couple of years on our hands and knees begging the Federal government for a solution.

Commissioner Rehtin commented that Commissioner Otto was very instrumental in setting this up and he would like Commissioner Otto to discuss governing forward, as this is not some entity that is a for-profit entity, but a non-for-profit entity that helps govern 9-1-1. Commissioner Otto stated that at the time consolidation was discussed, there was a dispatch center in Campbell County that the Fiscal Court owned and operated, there was one in the City of Ft. Thomas and also one in the City of Newport. When the County saw the costs that would be involved in replacing its equipment with new technology, they decided to start talking with both of those cities, since it did not make sense that each of these three entities would be up to \$4 million for equipment. This would mean \$12 million spent for each dispatch center that would not be necessary to spend if there were just one system. He stated that it took quite a few months for the Dispatch Board, which consisted of police chiefs and fire chiefs, to iron out all the particulars. The City of Newport houses the Dispatch Center and does an excellent job of working together. Everything that was done when the centers consolidated was done to save money. The turn of events with cell phones and land lines will mean that every one of these phones will be gone in five years and VoiceOver IP will have taken over. He stated that most people nowadays are not even getting land lines when they buy a house or get an apartment, but rather just using their cell phones. This is why the County is losing the revenue stream from land line phones. The solution with this Resolution tonight is only a one-year solution, and the County has to provide this service. The last thing the County wants to happen is to a resident call the County to say that their family member was having a heart attack, but they didn't call 9-1-1 because they did not want to get charged for the 9-1-1 fee. The County has to find the solution with some legislative help.

Commissioner Hayden stated that he has some serious concerns about the fee increase. The reason for that is the discrepancy between what the wired phone users are paying and what the mobile phone users are paying. Today, wired phone users are paying \$2.00 per month per line, and under the proposal tonight, they would pay \$3.30 per month per line for that wired phone. The County regulates or determines the 9-1-1 charges on wired phones. The mobile phone users are paying \$.70 per month per phone and the State sets and regulates the 9-1-1 charges for those wireless phones. Under the present proposal, wired phone users would see a substantial increase in their monthly bill from \$2.00 to \$3.30 and there would be no corresponding increase in mobile phones. Recent studies discussed at the last Fiscal Court meeting held in Alexandria were that half of the calls into 9-1-1 are coming from mobile phones. Under the proposal, wired phone users are paying almost 4 times more than the mobile phone users, and yet half the calls are coming from mobile phones. He does not believe this is fair and thinks wireless phone users and wired phone users ought to be paying an equal amount for 9-1-1 services. The cost

should be shared equally by those two users. He stated that he is not critical of the consolidation efforts, nor the efforts by this Fiscal Court to get some relief through the State for the charges on mobile phones, nor the efforts of our 9-1-1 services, which are vital services and the County needs to make sure it is adequately funded. He would like to see this Fiscal Court put the decision on this Resolution off for another few months and spend another session in Frankfort trying to convince our legislators to increase the fees on mobile phones. He believes it is extremely important that we put a full court press on the legislature and try to level the playing field. If we are successful in convincing the legislators that mobile phones ought to be paying more for 9-1-1 services, then we may not need this increase on wired phone users. This would make a lot of headway towards making it more fair between wired and wireless phone users.

Commissioner Rehtin stated that he would feel uncomfortable dodging the responsibility that the Fiscal Court has and one more time saying we're not willing to pass it on to the people for whom we provide the service, but rather let's let the State do it. He emphasized that this Fiscal Court has the responsibility to provide this service to its citizens and he believes it would be fiscally irresponsible to let it go even five months.

Judge Pendery stated that, as Commissioner Hayden is new to the Fiscal Court, he wanted him to know that the other members of the Court have been aggressively pursuing this issue with the legislature for several years already and what has happened is that the Court has already put off the increase for a couple of years beyond what should have happened. When the consolidation was done, the Fiscal Court paid about \$750,000 and has been paying this over time with interest, towards the new equipment that would be necessary. The Court also began paying \$200,000 with cost increased with inflation, that represented a savings for the County, but provided the money to get the operation off the ground. What has happened because the County has not taken an increase, but left the fee at \$2.00 all this time, is that most of that \$750,000 is gone and now the Center is at the point where it may have to borrow money to operate. For those reasons, he believes this Fiscal Court should act now. He noted that he agrees with Commissioner Hayden's analysis that the fees are not borne fairly, but it is also the only thing that the Fiscal Court has the authority to do.

Commissioner Hayden stated that he believes Commission Rehtin misunderstood his point and he does not believe that the Court should pass the buck, but tackle the problem right now. What happens, if we do not start leveling the playing field between wired and wireless phone users, then this will be like a dog chasing its tail. Next year it may be \$5.00, in two years it may be \$7.00, and who is to say it won't be \$10 on wired phone users in the next few years if this problem is not addressed, because more and more people are dropping their wired phones and going to wireless phones only. As this number continues to decline, the County will just have to charge its wired phone users more and more. He believes this is a huge increase on elderly folks who are living on fixed incomes, because many of them just have wired phones. Rather than just continue to spiral upward with the charge on wireless phones, he would like to see the Court tackle the problem right now.

Commissioner Rehtin stated that he does not disagree with Commissioner Hayden, and noted that at the last Fiscal Court meeting, he suggested the Court set up a committee to investigate federal funding mechanisms for this service, but the County needs to provide this service now and he believes the Court will be dodging its financial responsibility by not taking care of the issue now.

Commissioner Otto stated that he has no faith in Frankfort. As Judge Pendery already stated, this Court has gone to Frankfort for four years about this County's problem with the three centers' consolidation. We were able to get this remedied for three out of the four years. The problem that the County has with the State and many legislators is the funding mechanism with cell phones. The State, with its wisdom, has set up the board that charges the fee for cell phones, with Cingular, Verizon, and other cell phone

companies who are deriving this income. These companies then divvy up the money amongst themselves. This has been a problem that this County has addressed for five years on deaf ears. Out of the \$.70, which is cut in half and then cut in half again, Campbell County might get about 17.5 cents. The real problem is when you look at the State Senate and the State House and see the rural legislators, and these legislators in these dispatch cents, don't care one bit about us up here in the urban counties. Those dispatch centers are probably getting more income than they need, while we are getting screwed. We send our tax dollars down to Frankfort, and this County only gets \$.60 on the dollar. There are too many rural legislators who are not in support of Campbell County's needs. If this County were a company that consolidated divisions, you would think that it would be rewarded for saving the Company money, but these legislators did not reward the County for saving money. They did not see the wisdom of Campbell County saving the taxpayers money. He stated that he agrees with Commissioner Rehtin in that this County has a job to do now. We have been draining the bank account of the Dispatch Center for the last five years from its start-up fund. Technology overcame us and now it is necessary to increase the fee. He believes things will get worse with the VoiceOver IP and agrees that many elderly people have only land line phones, but he believes there are a lot of elderly people who have computers. Once VoiceOver IP comes into play, he thinks senior citizens will go right to it, because they are a lot smarter and more on top of things than they get credit for. The Fiscal Court is here to do a job, it sees a deficit, and quite frankly the taxpayers are going to pay for this funding no matter how you look at it, because the money will have to come from this proposed increase or from the General Fund.

Commissioner Hayden stated that he wants to make sure he is clear on his position. He reiterated that he is suggesting the Court wait five months until the next legislative session comes to an end in March or April of 2006 and if the County is not able to get an increase on mobile phones, then the increase will have to be passed.

Judge Pendery stated that the Court has been trying to build a consensus among the cities for some time and Ft. Thomas has already passed the similar resolution and Newport has it on their agenda. All of the other constituent cities will have to pass a similar resolution and will each have an opportunity to make a decision about whether they want to do it through the fee on land lines or whether they want to pay money out of their General Fund to provide the service. He respectfully submitted that the County's perspective on timing is different because they have been beating their heads against a wall for a number of years already. There is a growing consensus even in the rural counties that there needs to be an equalization of the tax burden across all of the users for what is a similar technology.

Commissioner Otto stated that this Court should request the State to look at the make-up of the Board. Judge Pendery stated this may be a case where the government is designed to work slow. It might have made sense in the beginning to have the cell phone companies on the Board because they were supposed to buy the technology to make this all possible, but that day has come and gone. It is time for consumers to be empowered and for the Board to reflect consumers' needs.

Commissioner Rehtin stated that there is a challenge for the Dispatch Board to continue to review this and to find funding mechanisms. This Board knows what the national trends are and they can look at what others are doing to keep this County abreast of other opportunities for long-range funding mechanisms. There being no further discussion, Judge Pendery, Commissioner Otto and Commissioner Rehtin voted "AYE," and Commissioner Hayden voted "NAY." The motion passed by majority vote.

Ms. Williams then presented for second reading and passage consideration Ordinance O-14-05, which she read by title and provided a summary to the Court. She explained that this Ordinance amends the January 9, 2001 Interlocal Agreement with the cities of Ft. Thomas and Newport, amended by Ordinance O-09-2002 on May 20, 2002, relating to the Consolidated Dispatch Center, to amend Section V-Funding, to increase the 9-1-1 fee from \$2.00 per line per month to \$3.00 per line per month. This amount does not

include the monthly access fee levied by Cincinnati Bell. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded to approve Ordinance O-14-05. Judge Pendery, Commissioner Rehtin and Commissioner Otto voted "AYE," and Commissioner Hayden voted "NAY." The motion passed by majority vote.

Judge Pendery next requested items of New Business be brought before the Court. Ms. Williams then requested a motion to proclaim November 8, 2005 as Community and Regional Planning Day in Campbell County, and urged citizens to honor and thank the members of planning commissions, citizen planners and other members of the planning profession for their service to our County. The Proclamation was requested by Peter Klear, Planning & Zoning Director. There being no further discussion, Commissioner Otto made a motion and Commissioner Rehtin seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Ms. Williams next presented Resolution R-142-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution authorizes the Judge/Executive to execute an agreement to accept grant funds from Kentucky Department of Agriculture's Animal Control Advisory Board for a Spay/Neuter Assistance Program grant in the amount of \$3,000. She noted that Lisa Bowman, Animal Shelter Director, is recommending the adoption of this Resolution. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded to approve Resolution R-142-05. All voted "AYE" and the motion was unanimously approved.

Ms. Williams next presented Resolution R-143-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution authorizes the Judge/Executive to execute contracts with Kramer Excavating, Inc. for snow removal and ice treatment at the Fiscal Court facility, the District Court, the Detention Center, the Senior Center and the Alexandria Courthouse from November, 2005 through April, 2006. She noted that Russell Guy, Maintenance Supervisor, recommends approval of this Resolution. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Hayden seconded to approve Resolution R-143-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams next presented Resolution R-145-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution supports the Facilities Plan Update for the Eastern Regional Wastewater Treatment Plant as proposed by Sanitation District No. 1. This Resolution will be submitted to the Sanitation District and to the Kentucky Division of Water. Public comment of the planned modification is open until November 2, 2005. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded to approve Resolution R-145-05. Judge Pendery, Commissioner Otto and Commissioner Rehtin voted "AYE," and Commissioner Hayden recused himself from the vote. The motion passed by majority vote.

Ms. Williams next presented for first reading Ordinance O-16-05, which she read by title and provided a summary to the Court. She stated that this Ordinance amends and renames the Campbell County Administrative Code, Chapter 30, Sections 15 through 25, by updating the Internet Service Use Policy. The original policy was drafted in 2000 and needed updating to meet more current needs. Commissioner Rehtin inquired as to whether County Attorney Verst reviewed and approved the policy. Mr. Verst responded that he had. Commissioner Rehtin also inquired as to whether the draft was created inside the department. Ms. Williams stated that much of what is in the revised policy is from the previous version, and that the IT Manager and staff from the Administration Department had all contributed to the revisions. Commissioner Rehtin asked if KLC, KACo, or other cities and counties had similar policies that they were using. Ms. Deaton responded that it was. No action is necessary on the Ordinance at this meeting, but will be acted upon at the next Fiscal Court meeting.

Ms. Williams then requested Naguanda Deaton, Personnel Director, to provide the Court with a report on the 2005 United Way Campaign that took place from October 24-28, 2005. Ms. Deaton stated that this year the Fiscal Court committed to raising \$3,910 for United Way. One event that took place during the campaign was that each department was requested to put together theme baskets for auction. She noted how clever and creative the baskets were and thanked all of the departments who participated. That event raised the Fiscal Court approximately \$1,000 toward the goal. Another event was Campbell Soup Day, when several employees volunteer to prepare homemade soups and muffins, both of which are then sold to employees. There were almost 100 orders for soup this year. The Court not only reached its goal this year, but exceeded it, by raising \$4,577 in pledges and contributions. She stated that everyone enjoyed the week and noted that it was a great opportunity for her. She thanked the employees who pledged, made the baskets, prepared the soup and the muffins and the department heads who got behind the campaign and supported it. She also thanked the Fiscal Court for allowing the employees the time to use to prepare these items.

Ms. Williams then presented Resolution R-144-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution amends Chapter 3, Section 326-Personnel Policies and Procedures, of the County Administrative Code regarding earned time. She noted that Naguanda Deaton, Personnel Director, was present to answer any questions and that Robert Horine, County Administrator, had been involved in the revision process. Mr. Horine stated that the current policy allows certain classes of employees to accumulate earned time. Hourly employees do not receive earned time, but are paid time and one-half for any time worked in excess of the employee's scheduled time each week. Directors are not eligible for earned time, since this is factored into their compensation. This policy addresses salaried employees who might have to work unexpected extra hours. It allows these employees to earn compensatory time to make up for those extra hours. The new policy adds limitations which were never in the policy, and State law actually speaks to these limitations and establishes what can be limited. There being no further discussion, Commissioner Rehtin made a motion and Judge Penderly seconded to approve Resolution R-144-05. All voted "AYE," and the motion passed unanimously.

Judge Penderly next requested reports from Staff. County Administrator, Robert Horine, presented for consideration Resolution R-147-05, which he read by title and provided a summary. He stated that this Resolution authorizes the County Judge/Executive to execute Change Order Nos. 6-1 to the Contract with W.R. Cole & Associates, 9-1 to the Contract with Thomas J. Dyer Company, and 12-2 and 12-3 to the Contract with Perkins Carmack Construction LLC for construction of the kitchen/laundry addition to the Campbell County Detention Center. These change orders are all required as a result of unforeseen conditions, such as foundation materials or recognizing that treatment for termites was necessary. There is a \$2,000 credit associated with one of these change orders due to the change of an aluminum canopy over the loading dock from a Kynar finish to a non-Kynar. The net increase to the overall project costs, with these change orders, is just over \$8,000, which is less than 1% of the project cost. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Hayden seconded, to approve Resolution R-147-05. All voted "AYE" and the motion passed unanimously.

County Attorney Verst thanked everyone for their thoughts and prayers during his recent surgery. He then gave an update on the Wessels v. Sanitation District, et al. suit against the County. A decision was received today from the Senior Status Judge Stan Billingsley granting the Sanitation District and the cities and counties' summary judgment motion on that case. This decision rules that the cities, counties and Sanitation District did have the authority to enter into agreements whereby the Sanitation District would implement the Federal and State mandated stormwater regulations, and also ruled that the Sanitation District had the authority to impose a service fee to fund those projects, and that the fee being imposed by the Sanitation District is an agreeable fee based upon their statutory authority to impose those fees. This is a victory and favorable decision for the counties and cities.

Commissioner Otto announced that there will be a demonstration at the jail on November 17, 2005 regarding the dog training.

Commissioner Rehtin stated that he was asked by some people at Newport Central Catholic High School to mention that on Sunday, November 6, 2005, at the High School, they would be holding their Fall Festival. He noted that this is a wonderful opportunity, the dinners are fantastic, and it is a great opportunity to see friends and family. He invited everyone to attend the Festival.

Commissioner Hayden stated that he had nothing further to report.

Judge Pendery stated that he had nothing further to report.

Judge Pendery then asked for a report from the Fiscal Director. In the Fiscal Director's absence, Mr. Horine requested a motion to declare specific property surplus and authorize staff to dispose of said property through sealed bid. He noted that for the most part, the surplus items are vehicles that have lived out their service life with the County, along with a few other items that need to be disposed of. There are also some old computer parts that have been determined to have no value and have been declared as surplus. These will be disposed of in the computer clean-up that will be held in the County in a few weeks. There being no further discussion, Commissioner Otto made a motion to accept the bids, seconded by Commissioner Rehtin. All voted "AYE" and the motion passed unanimously.

Mr. Horine then presented for second reading and passage consideration Ordinance O-12-05, which he read by title and provided a summary to the Court. He explained that this Ordinance amends the Fiscal Year 2005-2006 Budget and amendments thereof. The Court has received monies that were not budgeted on the revenue side at the beginning of the year, where the Transportation Cabinet provided \$134,000 for replacement of a bridge on Jerry Wright Road, and our annual Road Aid contributions that were approximately \$43,000 more than what was anticipated when the budget was put together. There being no further discussion, Judge Pendery made a motion and Commissioner Hayden seconded, to approve Resolution O-12-05. All voted "AYE" and the motion passed unanimously.

Mr. Horine next presented for first reading Ordinance O-15-05, which he read by title and provided a summary to the Court. He stated that this Ordinance amends Chapter 110 of the Campbell County Code of Ordinances relating to Occupational Taxes. The amendments proposed are the result of recommended language from the Kentucky Occupational License Association, in order to standardize the regulation of occupational licenses throughout the State, and will also correct editing errors that had occurred in prior amendments. He noted that Linda Eads, Occupational Tax Manager, is recommending the amendments. No action is necessary on the Ordinance at this meeting, but will be acted upon at the next Fiscal Court meeting.

Mr. Horine next requested a motion to authorize staff to purchase a vehicle for the Recreation Department from the State Contract. The vehicle is a 2006 Chevrolet Silverado Fleetside Pickup Truck. This vehicle will replace one that has been handed down through three different departments. Commissioner Hayden asked why the vehicle was being bought from a dealer in Louisville. Mr. Horine stated that this dealer had a vehicle on State contract that met the County's needs and the price is the same that the County would get from any dealer. The deciding issue was availability and this dealer had one available. There being no further discussion, Commissioner Rehtin made a motion that the motion be approved. Judge Pendery seconded the motion. All voted "AYE" and the motion passed unanimously.

Mr. Horine next requested approval of the Claims being presented at this meeting. County Attorney Verst stated that he had reviewed the Claims, and they appear to be appropriate. There being no further

discussion, Commissioner Otto made a motion that the Claims be approved and paid. Commissioner Rechten seconded the motion. All voted "AYE" and the motion passed unanimously.

There being no further business to come before the meeting, it was moved by Commissioner Rechten, seconded by Commissioner Otto, that the meeting be adjourned. All voted "AYE" and the meeting was adjourned at 8:58 p.m.

Attachments:

- Ordinance O-12-05: Amendment to FY 06 Budget
- Ordinance O-13-05: Amendment of Maximum Fee for 9-1-1 Service
- Ordinance O-14-05: Amendment to Interlocal Agreement with Ft. Thomas and Newport Regarding 9-1-1 Fees
- Ordinance O-15-05: Amendment of Chapter 110 of Code of Ordinances
- Ordinance O-16-05: Amendment to Administrative Code Regarding Internet Service Use Policy
- Resolution R-142-05: Grant from Animal Control Advisory Board
- Resolution R-143-05: Snow Removal Contract for County Properties
- Resolution R-144-05: Amendment to Administrative Code Regarding Earned Time
- Resolution R-145-05: Support of Facilities Plan Update by Sanitation District
- Resolution R-147-05: Change Orders for Kitchen/Laundry Addition to Detention Center
- Proclamation: Proclaiming November 8, 2005 as Community and Regional Planning Day in Campbell County
- Claims: November 2, 2005

Approved:

STEVE PENDERY
Campbell County Judge/Executive

Attest:

Sandra L. Mulligan
Fiscal Court Clerk